

Form **1040**

Department of the Treasury — Internal Revenue Service

U.S. Individual Income Tax Return 2010

(99) IRS Use Only — Do not write or staple in this space.

**Name,
Address,
and SSN**See separate
instructions.**Presidential
Election
Campaign**

For the year Jan 1 - Dec 31, 2010, or other tax year beginning , 2010, ending , 20		OMB No. 1545-0074
Your first name	MI	Last name
J. CRAIG JAMES		Your social security number
If a joint return, spouse's first name	MI	Last name
MARILYN JAMES		Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions.		Apartment no.
City, town or post office. If you have a foreign address, see instructions.		State ZIP code
<input type="checkbox"/> Check here if you, or your spouse if filing jointly, want \$3 to go to this fund?		<input type="checkbox"/> You <input type="checkbox"/> Spouse

Filing StatusCheck only
one box.

- 1 ☐ Single
- 2 ☒ Married filing jointly (even if only one had income)
- 3 ☐ Married filing separately. Enter spouse's SSN above & full name here. ▶
- 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here ▶
- 5 ☐ Qualifying widow(er) with dependent child

ExemptionsIf more than four
dependents, see
instructions and
check here. ▶ ☐

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☒ Spouse

c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax cr (see instrs)
(1) First name	Last name			
ADAM	JAMES		SON	<input type="checkbox"/>
J. ANDREW	JAMES		SON	<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

d Total number of exemptions claimed. ▶ **4**

IncomeAttach Form(s)
W-2 here. Also
attach Forms
W-2G and 1099-R
if tax was withheld.If you did not
get a W-2,
see instructions.Enclose, but do
not attach, any
payment. Also,
please use
Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2.	7	113,174.
8a Taxable interest. Attach Schedule B if required.	8a	16,213.
b Tax-exempt interest. Do not include on line 8a. STMT. 3	8b	80.
9a Ordinary dividends. Attach Schedule B if required.	9a	1,181.
b Qualified dividends	9b	
10 Taxable refunds, credits, or offsets of state and local income taxes	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ.	12	307,837.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. ▶ <input type="checkbox"/>	13	205.
14 Other gains or (losses). Attach Form 4797.	14	
15a IRA distributions.	15a	
b Taxable amount.	15b	
16a Pensions and annuities.	16a	
b Taxable amount.	16b	34,404.
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E.	17	-208,691.
18 Farm income or (loss). Attach Schedule F.	18	-3,593.
19 Unemployment compensation	19	
20a Social security benefits	20a	
b Taxable amount.	20b	
21 Other income	21	
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income.	22	260,730.
23 Educator expenses	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ.	24	
25 Health savings account deduction. Attach Form 8889.	25	
26 Moving expenses. Attach Form 3903.	26	
27 One-half of self-employment tax. Attach Schedule SE.	27	4,072.
28 Self-employed SEP, SIMPLE, and qualified plans.	28	
29 Self-employed health insurance deduction.	29	
30 Penalty on early withdrawal of savings.	30	
31a Alimony paid b Recipient's SSN. ▶	31a	
32 IRA deduction.	32	
33 Student loan interest deduction.	33	
34 Tuition and fees. Attach Form 8917.	34	
35 Domestic production activities deduction. Attach Form 8903.	35	
36 Add lines 23 - 31a and 32 - 35.	36	4,072.
37 Subtract line 36 from line 22. This is your adjusted gross income.	37	256,658.

**Adjusted
Gross
Income**

Tax and Credits	38	Amount from line 37 (adjusted gross income)	38	256,658.
	39a	Check if: <input type="checkbox"/> You were born before January 2, 1946, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1946, <input type="checkbox"/> Blind. Total boxes checked ▶ 39a		
		b If your spouse itemizes on a separate return, or you were a dual-status alien, check here. ▶ 39b		
	40	Itemized deductions (from Schedule A) or your standard deduction (see instructions)	40	122,426.
	41	Subtract line 40 from line 38	41	134,232.
	42	Exemptions. Multiply \$3,650 by the number on line 6d.	42	14,600.
	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	119,632.
	44	Tax (see instrs). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	44	22,271.
	45	Alternative minimum tax (see instructions). Attach Form 6251	45	0.
	46	Add lines 44 and 45	46	22,271.
Other Taxes	47	Foreign tax credit. Attach Form 1116 if required	47	
	48	Credit for child and dependent care expenses. Attach Form 2441	48	
	49	Education credits from Form 8863, line 23	49	
	50	Retirement savings contributions credit. Attach Form 8880	50	
	51	Child tax credit (see instructions)	51	
	52	Residential energy credits. Attach Form 5695	52	
	53	Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	53	
	54	Add lines 47 through 53. These are your total credits	54	
	55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	22,271.
	56	Self-employment tax. Attach Schedule SE	56	8,143.
Payments	57	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
	58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
	59a	<input type="checkbox"/> Form(s) W-2, box 9 b <input type="checkbox"/> Schedule H c <input type="checkbox"/> Form 5405, line 16.	59	
	60	Add lines 55-59. This is your total tax	60	30,414.
	61	Federal income tax withheld from Forms W-2 and 1099	61	11,749.
	62	2010 estimated tax payments and amount applied from 2009 return	62	
Refund	63	Making work pay credit. Attach Schedule M	63	
	64a	Earned income credit (EIC)	64a	
		b Nontaxable combat pay election. ▶ 64b		
	65	Additional child tax credit. Attach Form 8812	65	
	66	American opportunity credit from Form 8863, line 14.	66	
	67	First-time homebuyer credit from Form 5405, line 10.	67	
	68	Amount paid with request for extension to file	68	
	69	Excess social security and tier 1 RRTA tax withheld	69	
	70	Credit for federal tax on fuels. Attach Form 4136	70	
	71	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885.	71	
Amount You Owe	72	Add lns 61-63, 64a, & 65-71. These are your total pmts	72	11,749.
	73	If line 72 is more than line 60, subtract line 60 from line 72. This is the amount you overpaid	73	
	74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ▶ <input type="checkbox"/> ▶ b Routing number ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings ▶ d Account number	74a	
	75	Amount of line 73 you want applied to your 2011 estimated tax	75	
Amount You Owe	76	Amount you owe. Subtract line 72 from line 60. For details on how to pay see instructions	76	19,037.
	77	Estimated tax penalty (see instructions)	77	372.

Third Party Designee Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name ▶ GREGORY L. LEBLANC Phone no. ▶ 214-692-6800 Personal identification number (PIN) ▶

Sign Here Joint return? See instructions. ▶ Your signature _____ Date _____ Your occupation **SPORTS ANALYST** Daytime phone number _____

Keep a copy for your records. ▶ Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation **HOMEMAKER**

Paid Preparer's Use Only Print/Type preparer's name GREGORY L. LEBLANC Preparer's signature _____ Date _____ Check ☐ if self-employed PTIN _____

Firm's name ▶ WAGNER, EUBANK & NICHOLS, LLP Firm's EIN ▶ _____

Firm's address ▶ 5950 BERKSHIRE LN, #900 DALLAS, TX 75225 Phone no. (214) 692-6800

SEE STATEMENT 4

20,063.

Form 1040 (2010)

**Underpayment of
Estimated Tax by Individuals, Estates, and Trusts**

► See separate instructions.
► Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

OMB No. 1545-0140

2010Attachment
Sequence No. **06**

Name(s) shown on tax return

J. CRAIG AND MARILYN JAMES

Identifying number

Do You Have To File Form 2210?

Complete lines 1 through 7 below. Is line 7 less than \$1,000?	Yes	Do not file Form 2210. You do not owe a penalty.
No		
Complete lines 8 and 9 below. Is line 6 equal to or more than line 9?	Yes	You do not owe a penalty. Do not file Form 2210 (but if box E in Part II applies, you must file page 1 of Form 2210).
No		
You may owe a penalty. Does any box in Part II below apply?	Yes	You must file Form 2210. Does box B, C, or D in Part II apply?
No		
	No	You must figure your penalty.
	Yes	
Do not file Form 2210. You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but do not file Form 2210.		You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but file only page 1 of Form 2210.

Part I Required Annual Payment (see instructions)

1	Enter your 2010 tax after credits from Form 1040, line 55 (see instructions if not filing Form 1040).....	1	22,271.
2	Other taxes, including self-employment tax (see instructions).....	2	8,143.
3	Refundable credits. Enter the total of your making work pay credit, earned income credit, additional child tax credit, American opportunity credit (Form 8863, line 14), first-time homebuyer credit (Form 5405, line 10), credit for federal tax paid on fuels, adoption credit, refundable credit for prior year minimum tax (Form 8801, line 27), and health coverage tax credit.....	3	0.
4	Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, stop ; you do not owe a penalty. Do not file Form 2210.	4	30,414.
5	Multiply line 4 by 90% (.90).....	5	27,373.
6	Withholding taxes. Do not include estimated tax payments (see instructions).....	6	11,749.
7	Subtract line 6 from line 4. If less than \$1,000, stop ; you do not owe a penalty. Do not file Form 2210.	7	18,665.
8	Maximum required annual payment based on prior year's tax (see instructions).....	8	104,114.
9	Required annual payment. Enter the smaller of line 5 or line 8.....	9	27,373.

Next: Is line 9 more than line 6?

- ☐ **No.** You do not owe a penalty. **Do not file Form 2210** unless box E below applies.
- ☒ **Yes.** You may owe a penalty, but **do not file Form 2210** unless one or more boxes in Part II below applies.
- If box B, C, or D applies, you must figure your penalty and file Form 2210.
 - If box A or E applies (but not B, C, or D) file only page 1 of Form 2210. You are **not** required to figure your penalty; the IRS will enter your penalty on your tax return, but **file only page 1 of Form 2210.**

Part II Reasons for Filing. Check applicable boxes. If none apply, **do not file Form 2210.**

- A ☐ You request a **waiver** (see instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B ☐ You request a **waiver** (see instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method**. You must figure the penalty using Schedule AI and file Form 2210.
- D ☐ withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E ☐ must file page 1 of Form 2210, but you are **not** required to figure your penalty (unless box B, C, or D applies).

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 2210 (2010)

Part III Short Method**Can You Use the Short Method?**

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), **or**
- You paid the same amount of estimated tax on each of the four payment due dates.

Must You Use the Regular Method?

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box **C** or **D** in Part II, **or**
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

Note: If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.

10	Enter the amount from Form 2210, line 9.	10	27,373.
11	Enter the amount, if any, from Form 2210, line 6.	11	11,749.
12	Enter the total amount, if any, of estimated tax payments you made (see instructions).	12	
13	Add lines 11 and 12.	13	11,749.
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop ; you do not owe a penalty. Do not file Form 2210 unless you checked box E in Part II.	14	15,624.
15	Multiply line 14 by .02383.	15	372.
16	<ul style="list-style-type: none"> • If the amount on line 14 was paid on or after 4/15/11, enter -0-. • If the amount on line 14 was paid before 4/15/11, make the following computation to find the amount to enter on line 16. 	16	0.
	Amount on line 14 x Number of days paid before 4/15/11 x .00008		
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 77; Form 1040A, line 49; Form 1040NR, line 73; Form 1040NR-EZ, line 26; or Form 1041, line 26. Do not file Form 2210 unless you checked a box in Part II.	17	372.

Form 2210 (2010)

SCHEDULE A
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

OMB No. 1545-0074

2010

Attachment
Sequence No. **07**

▶ **Attach to Form 1040.**

▶ **See Instructions for Schedule A (Form 1040).**

Name(s) shown on Form 1040

J. CRAIG AND MARILYN JAMES

Your social security number

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.		
1	Medical and dental expenses (see instructions)	1	
2	Enter amount from Form 1040, line 38	2	
3	Multiply line 2 by 7.5% (.075)	3	
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	0.
Taxes You Paid	5 State and local (check only one box):		
a	<input checked="" type="checkbox"/> Income taxes, or	5	10,890.
b	<input type="checkbox"/> General sales taxes		
6	Real estate taxes (see instructions)	6	19,954.
7	New motor vehicle taxes from line 11 of the worksheet on page 2 (for certain vehicles purchased in 2009). Skip this line if you checked box 5b	7	
8	Other taxes. List type and amount ▶	8	
9	Add lines 5 through 8	9	30,844.
Interest You Paid	10 Home mtg interest and points reported to you on Form 1098. SEE ST. 5	10	61,294.
Note. Your mortgage interest deduction may be limited (see instrs).	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶	11	
		12	
	12 Points not reported to you on Form 1098. See instrs for spcl rules	12	
	13 Mortgage insurance premiums (see instructions)	13	
	14 Investment interest. Attach Form 4952 if required. (See instrs.) STMT. 6	14	10,062.
	15 Add lines 10 through 14	15	71,356.
Gifts to Charity	16 Gifts by cash or check. If you made any gift of \$250 or more, see instrs. SEE STATEMENT. 7	16	20,200.
If you made a gift and got a benefit for it, see instructions.	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500.	17	
	18 Carryover from prior year	18	
	19 Add lines 16 through 18	19	20,200.
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)	20	0.
Job Expenses and Certain Miscellaneous Deductions	21 Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21	
	22 Tax preparation fees	22	1,972.
	23 Other expenses — investment, safe deposit box, etc. List type and amount ▶	23	
	24 Add lines 21 through 23	24	1,972.
	25 Enter amount from Form 1040, line 38	25	256,658.
	26 Multiply line 25 by 2% (.02)	26	5,133.
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27	0.
Other Miscellaneous Deductions	28 Other — from list in instructions. List type and amount ▶		
	<u>INVESTMENT EXP. FROM K-1</u>	26.	
		28	26.
Total Itemized Deductions	29 Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40	29	122,426.
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>		

SCHEDULE B
(Form 1040A or 1040)Department of the Treasury
Internal Revenue Service (99)**Interest and Ordinary Dividends**▶ **Attach to Form 1040A or 1040.**▶ **See Instructions.**

OMB No. 1545-0074

2010Attachment
Sequence No. **08**

Name(s) shown on return

J. CRAIG AND MARILYN JAMES

Your social security number

Part I
Interest(See
instructions for
Form 1040A,
or Form 1040,
line 8a.)**Note.** If you
received a Form
1099-INT, Form
1099-OID, or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the total
interest shown on
that form.

- 1**
- List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address

EMERGING LAND MARKETS GP, LLCEMERGING LAND MARKETS, LPLINCOLN NATIONAL LIFE INS**Amount**

158.

15,608.

447.

1

- 2**
- Add the amounts on line 1

2

16,213.

- 3**
- Excludable interest on series EE and I U.S. savings bonds issued after 1989.
-
- Attach Form 8815

3

- 4**
- Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a.

4

16,213.

Note. If line 4 is over \$1,500, you must complete Part III.**Part II**
Ordinary
Dividends(See
instructions for
Form 1040A, or
Form 1040,
line 9a.)**Note.** If you
received a Form
1099-DIV or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the
ordinary dividends
shown on that form.

- 5**
- List name of payer

DALTON BEND RANCH LTDEMERGING LAND MARKETS GP, LLCEMERGING LAND MARKETS, LP**Amount**

739.

5.

437.

5

- 6**
- Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a.

6

1,181.

Note. If line 6 is over \$1,500, you must complete Part III.**Part III**
Foreign
Accounts
and
Trusts(See
instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes **No**

- 7a**
- At any time during 2010, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1

☐ ☒

- b**
- If 'Yes,' enter the name of the foreign country

☐ ☐

- 8**
- During 2010, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions

☐ ☒**BAA** For Paperwork Reduction Act Notice, see your tax return instructions.

FDIA0401L 10/15/10

Schedule **B** (Form 1040) 2010

SCHEDULE C-EZ
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Net Profit From Business
(Sole Proprietorship)

- Partnerships, joint ventures, etc, generally must file Form 1065 or 1065-B.
► Attach to Form 1040, 1040NR, or 1041. ► See instructions.

OMB No. 1545-0074

2010

Attachment
Sequence No. **09A**

Name of proprietor

J. CRAIG JAMES

Social security number (SSN)

Part I General Information

**You May Use
Schedule C-EZ
Instead of
Schedule C
Only If You:**

- Had business expenses of \$5,000 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as either a sole proprietor, qualified joint venture, or statutory employee.

And You:

- Had no employees during the year.
- Are not required to file **Form 4562**, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

A Principal business or profession, including product or service
BROADCASTING

B Enter business code
► 513000

C Business name. If no separate business name, leave blank.

D Enter your EIN (see instructions)

E Business address (including suite or room number). Address not required if same as on page 1 of your tax return.

City, town or post office, state, and ZIP code

Part II Figure Your Net Profit

1 Gross receipts. Caution. See the instructions for Schedule C, line 1, and check the box if: • This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax	<input type="checkbox"/>	1	307,837.
2 Total expenses (see instructions). If more than \$5,000, you must use Schedule C		2	
3 Net profit. Subtract line 2 from line 1. If less than zero, you must use Schedule C. Enter on both Form 1040 , line 12, and Schedule SE , line 2, or on Form 1040NR , line 13. (If you checked the box on line 1, do not report the amount from line 3 on Schedule SE, line 2.) Estates and trusts, enter on Form 1041 , line 3		3	307,837.

Part III Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 2.

4 When did you place your vehicle in service for business purposes? (month, day, year) ►

5 Of the total number of miles you drove your vehicle during 2010, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting (see instructions) _____ **c** Other _____

6 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

7 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

8a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If 'Yes,' is the evidence written? ☐ Yes ☐ No

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule C-EZ (Form 1040) 2010

SCHEDULE D
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Capital Gains and Losses**▶ Attach to Form 1040 or Form 1040NR. ▶ See instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2010Attachment
Sequence No. **12**

Name(s) shown on return

J. CRAIG AND MARILYN JAMES

Your social security number

Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2 . . .	2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)	3				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4				
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5				205.
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet in the instructions	6				
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).	7				205.

Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9 . . .	9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)	10				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11				
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	12				
13 Capital gain distributions. See instrs.	13				
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet in the instructions	14				
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2	15				

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule D (Form 1040) 2010

Part III Summary

16 Combine lines 7 and 15 and enter the result.....	16	205.
<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
17 Are lines 15 and 16 both gains?		
<input type="checkbox"/> Yes. Go to line 18.		
<input checked="" type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions.....	18	
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions.....	19	
20 Are lines 18 and 19 both zero or blank?		
<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040, line 44 (or in the Instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below.		
<input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:		
<ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) 	21	
Note. When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040, line 44 (or in the Instructions for Form 1040NR, line 42).		
<input checked="" type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2010

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

J. CRAIG AND MARILYN JAMES

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.**Part II Income or Loss From Partnerships and S Corporations****Note.** If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
If you answered 'Yes,' see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 8		<input type="checkbox"/>		<input type="checkbox"/>
B			<input type="checkbox"/>		<input type="checkbox"/>
C			<input type="checkbox"/>		<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				
B				
C				
D				
29a Totals.....				
b Totals.....	5,624.	203,067.		
30 Add columns (g) and (j) of line 29a.....			30	
31 Add columns (f), (h), and (i) of line 29b.....			31	-208,691.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below.....			32	-208,691.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34a Totals.....		
b Totals.....		
35 Add columns (d) and (f) of line 34a.....		35
36 Add columns (c) and (e) of line 34b.....		36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below.....		37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below.....					39

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below.....	40	
41 Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18.....	41	-208,691.
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions).....	42	
43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules.....	43	

SCHEDULE F
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.
▶ See Instructions for Schedule F (Form 1040).

OMB No. 1545-0074

2010

Attachment
Sequence No. **14**

Name of proprietor

J. CRAIG JAMES

Social security number (SSN)

A Principal product. Describe in one or two words your principal crop or activity for the current tax year.

HORSES & HAY

B Enter code from Part IV

112900

C Accounting method:

(1) ☒ Cash

(2) ☐ Accrual

D Employer ID number (EIN), if any

E

☒ Yes ☐ No

Part I Farm Income – Cash Method. Complete Parts I and II (Accrual method. Complete Parts II & III, & Part I, line 11.)
Do not include sales of livestock held for draft, breeding, sport, or dairy purposes. Report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale.....	1		
2	Cost or other basis of livestock and other items reported on line 1.....	2		
3	Subtract line 2 from line 1.....			3
4	Sales of livestock, produce, grains, and other products you raised.....			4
5a	Cooperative distributions (Form(s) 1099-PATR).....	5a		5b Taxable amount.....
6a	Agricultural program payments (see instructions).....	6a		6b Taxable amount.....
7	Commodity Credit Corporation (CCC) loans (see instructions):			
a	CCC loans reported under election.....			7a
b	CCC loans forfeited.....	7b		7c Taxable amount.....
8	Crop insurance proceeds and federal crop disaster payments (see instructions):			
a	Amount received in 2010.....	8a		8b Taxable amount.....
c	If election to defer to 2011 is attached, check here.....			8d Amount deferred from 2009.....
9	Custom hire (machine work) income.....			9
10	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).....			10
11	Gross income. Add amounts in the right column for lines 3 through 10. If you use the accrual method to figure your income, enter the amount from Part III, line 51.....			11

Part II Farm Expenses – Cash and Accrual Method.

Do not include personal or living expenses such as taxes, insurance, or repairs on your home.

12	Car and truck expenses (see instructions). Also attach Form 4562.....	12		25	Pension and profit-sharing plans.....	25	
13	Chemicals.....	13		26	Rent or lease (see instructions):		
14	Conservation expenses (see instructions).....	14		a	Vehicles, machinery, and equipment.....	26a	
15	Custom hire (machine work).....	15		b	Other (land, animals, etc.).....	26b	
16	Depreciation and section 179 expense deduction not claimed elsewhere (see instructions).....	16	3,593.	27	Repairs and maintenance.....	27	
17	Employee benefit programs other than on line 25.....	17		28	Seeds and plants.....	28	
18	Feed.....	18		29	Storage and warehousing.....	29	
19	Fertilizers and lime.....	19		30	Supplies.....	30	
20	Freight and trucking.....	20		31	Taxes.....	31	
21	Gasoline, fuel, and oil.....	21		32	Utilities.....	32	
22	Insurance (other than health).....	22		33	Veterinary, breeding, and medicine.....	33	
23	Interest:			34	Other expenses (specify):		
a	Mortgage (paid to banks, etc.).....	23a		a	.....	34a	
b	Other.....	23b		b	.....	34b	
24	Labor hired (less employment credits).....	24		c	.....	34c	
				d	.....	34d	
				e	.....	34e	
				f	.....	34f	
35	Total expenses. Add lines 12 through 34f. If line 34f is negative, see instructions.....			35			3,593.
36	Net farm profit or (loss). Subtract line 35 from line 11. Partnerships, see instructions. • If a profit, enter the profit on both Form 1040, line 18, and Schedule SE, line 1a; on Form 1040NR, line 19; or on Form 1041, line 6. • If a loss, you must go on to line 37.			36			-3,593.
37	If you have a loss, you must check the box that describes your investment in this activity and whether you received any applicable subsidy (see instructions). • If you checked 37a, enter the loss on both Form 1040, line 18, and Schedule SE, line 1a; on Form 1040NR, line 19; or on Form 1041, line 6. • If you checked 37b, your loss may be limited. See instructions.			37a	<input checked="" type="checkbox"/> All investment is at risk and you did not receive a subsidy. Some investment is not at risk or you received a subsidy.		
				37b	<input type="checkbox"/>		

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

FDIZ0212L 09/21/10

Schedule F (Form 1040) 2010

Name of person with self-employment income (as shown on Form 1040)

J. CRAIG JAMES

Social security number of person with self-employment income ▶

Section B – Long Schedule SE**Part I Self-Employment Tax****Note.** If your only income subject to self-employment tax is **church employee income**, see specific instructions. Also see instructions for the definition of church employee income.

- A** If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I ☐

1a Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. Note. Skip lines 1a and 1b if you use the farm optional method (see instructions).	1a	-3,593.
b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 6b, or listed on Schedule K-1 (Form 1065), box 20, code Y.	1b	
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report. Note. Skip this line if you use the nonfarm optional method (see instructions).	2	307,630.
3 (see instructions)	3	304,037.
4a If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3. Note. If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.	4a	280,778.
b If you elect one or both of the optional methods, enter the total of lines 15 and 17 here.	4b	
c Combine lines 4a and 4b. If less than \$400, stop ; you do not owe self-employment tax. Exception. If less than \$400 and you had church employee income , enter -0- and continue.	4c	280,778.
5a Enter your church employee income from Form W-2. See the instructions for definition of church employee income.	5a	
b Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-.	5b	0.
6 Add lines 4c and 5b.	6	280,778.
7 Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2010.	7	106,800.
8a Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$106,800 or more, skip lines 8b through 10, and go to line 11.	8a	106,800.
b Unreported tips subject to social security tax (from Form 4137, line 10).	8b	
c Wages subject to social security tax (from Form 8919, line 10).	8c	
d Add lines 8a, 8b, and 8c.	8d	
9 Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11.	9	
10 Multiply the smaller of line 6 or line 9 by 12.4% (.124).	10	
11 Multiply line 6 by 2.9% (.029).	11	8,143.
12 Self-employment tax. Add lines 10 & 11. Enter here & on Form 1040, line 56, or Form 1040NR, line 54.	12	8,143.
13 Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.50). Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27.	13	4,072.

Part II Optional Methods To Figure Net Earnings (see instructions)**Farm Optional Method.** You may use this method **only** if (a) your gross farm income⁽¹⁾ was not more than \$6,720 or (b) your net farm profits⁽²⁾ were less than \$4,851.

14 Maximum income for optional methods.	14	4,480.
15 Enter the smaller of: two-thirds (2/3) of gross farm income ⁽¹⁾ (not less than zero) or \$4,480. Also, include this amount on line 4b above.	15	

Nonfarm Optional Method. You may use this method **only** if (a) your net nonfarm profits⁽³⁾ were less than \$4,851 and also less than 72.189% of your gross nonfarm income⁽⁴⁾ and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. **Caution.** You may use this method no more than five times.

16 Subtract line 15 from line 14.	16	
17 Enter the smaller of: two-thirds (2/3) of gross nonfarm income ⁽⁴⁾ (not less than zero) or the amount on line 16. Also include this amount on line 4b above.	17	

(1) From Schedule F, line 11, and Schedule K-1 (Form 1065), box 14, code B.

(2) From Schedule F, line 36, and Schedule K-1 (Form 1065), box 14, code A – minus the amount you would have entered on line 1b had you not used the optional method.

(3) From Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A; and Schedule K-1 (Form 1065-B), box 9, code J1.

(4) From Schedule C, line 7; Schedule C-EZ, line 1; Schedule K-1 (Form 1065), box 14, code C; and Schedule K-1 (Form 1065-B), box 9, code J2.

Alternative Minimum Tax — Individuals▶ See separate instructions.
▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2010Attachment
Sequence No. **32**

Name(s) shown on Form 1040 or Form 1040NR

Your social security number

J. CRAIG AND MARILYN JAMES**Part I Alternative Minimum Taxable Income** (See instructions for how to complete each line.)

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 and go to line 2. Otherwise, enter the amount from Form 1040, line 38 and go to line 6. (If less than zero, enter as a negative amount.)	1	134,232.
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4 or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), lines 5, 6, and 8	3	30,844.
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	If filing Schedule L (Form 1040A or 1040), enter as a negative amount the sum of lines 6 and 17 from that schedule	6	
7	Tax refund from Form 1040, line 10 or line 21	7	
8	Investment interest expense (difference between regular tax and AMT)	8	-7,511.
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	-2,332.
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$219,900, see instructions.)	28	155,233.

Part II Alternative Minimum Tax (AMT)

29	Exemption. (If you were under age 24 at the end of 2010, see instructions.)				
	IF your filing status is . . .	AND line 28 is not over . . .	THEN enter on line 29 . . .		
	Single or head of household	\$112,500	\$47,450	29	71,142.
	Married filing jointly or qualifying widow(er)	150,000	72,450		
	Married filing separately	75,000	36,225		
	If line 28 is over the amount shown above for your filing status, see instructions.				
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 33 and 35 and skip the rest of Part II			30	84,091.
31	<ul style="list-style-type: none">• If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.• If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 54 here.• All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.			31	21,864.
32	Alternative minimum tax foreign tax credit (see instructions)			32	
33	Tentative minimum tax. Subtract line 32 from line 31			33	21,864.
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions)			34	22,271.
35	AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45			35	0.

Investment Interest Expense Deduction

OMB No. 1545-0191

Department of the Treasury
Internal Revenue Service (99)▶ **Attach to your tax return.****2010**Attachment
Sequence No. **51**

Name(s) shown on return

J. CRAIG AND MARILYN JAMES

Identifying number

Part I Total Investment Interest Expense

1 Investment interest expense paid or accrued in 2010 (see instructions).....	1	499,458.
2 Disallowed investment interest expense from 2009 Form 4952, line 7.....	2	
3 Total investment interest expense. Add lines 1 and 2.....	3	499,458.

Part II Net Investment Income

4a Gross income from property held for investment (excluding any net gain from the disposition of property held for investment).....	4a	17,394.	
b Qualified dividends included on line 4a.....	4b		
c Subtract line 4b from line 4a.....	4c	17,394.	
d Net gain from the disposition of property held for investment.....	4d	205.	
e Enter the smaller of line 4d or your net capital gain from the disposition of property held for investment (see instructions).....	4e		
f Subtract line 4e from line 4d.....	4f	205.	
g Enter the amount from lines 4b and 4e that you elect to include in investment income (see instructions)....	4g		
h Investment income. Add lines 4c, 4f, and 4g.....	4h	17,599.	
5 Investment expenses (see instructions).....	5	7,537.	
6 Net investment income. Subtract line 5 from line 4h. If zero or less, enter -0-.....	6	10,062.	

Part III Investment Interest Expense Deduction

7 Disallowed investment interest expense to be carried forward to 2011. Subtract line 6 from line 3. If zero or less, enter -0-.....	7	489,396.
8 Investment interest expense deduction. Enter the smaller of line 3 or 6. See instructions.....	8	10,062.

BAA For Paperwork Reduction Act Notice, see separate instructions.Form **4952** (2010)

Investment Interest Expense Deduction

OMB No. 1545-0191

Department of the Treasury
Internal Revenue Service (99)**ALTERNATIVE MINIMUM TAX**
▶ **Attach to your tax return.****2010**Attachment
Sequence No. **51**

Name(s) shown on return

J. CRAIG AND MARILYN JAMES

Identifying number

Part I Total Investment Interest Expense

1 Investment interest expense paid or accrued in 2010 (see instructions).....	1	499,458.
2 Disallowed investment interest expense from 2009 Form 4952, line 7.....	2	
3 Total investment interest expense. Add lines 1 and 2.....	3	499,458.

Part II Net Investment Income

4a Gross income from property held for investment (excluding any net gain from the disposition of property held for investment).....	4a	17,394.	
b Qualified dividends included on line 4a.....	4b		
c Subtract line 4b from line 4a.....	4c	17,394.	
d Net gain from the disposition of property held for investment.....	4d	205.	
e Enter the smaller of line 4d or your net capital gain from the disposition of property held for investment (see instructions).....	4e		
f Subtract line 4e from line 4d.....	4f	205.	
g Enter the amount from lines 4b and 4e that you elect to include in investment income (see instructions)....	4g		
h Investment income. Add lines 4c, 4f, and 4g.....	4h	17,599.	
5 Investment expenses (see instructions).....	5	26.	
6 Net investment income. Subtract line 5 from line 4h. If zero or less, enter -0-.....	6	17,573.	

Part III Investment Interest Expense Deduction

7 Disallowed investment interest expense to be carried forward to 2011. Subtract line 6 from line 3. If zero or less, enter -0-.....	7	481,885.
8 Investment interest expense deduction. Enter the smaller of line 3 or 6. See instructions.....	8	17,573.

BAA For Paperwork Reduction Act Notice, see separate instructions.Form **4952** (2010)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

2010Attachment
Sequence No. **67**

Name(s) shown on return

J. CRAIG AND MARILYN JAMES

Identifying number

Business or activity to which this form relates

SCHEDULE F / FORM 4835 - HORSES & HAY**Part I Election To Expense Certain Property Under Section 179***Note: If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions).....	1	500,000.
2	Total cost of section 179 property placed in service (see instructions).....	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).....	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).....	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12.....	13	

*Note: Do not use Part II or Part III below for listed property. Instead, use Part V.***Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)** (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).....	14	
15	Property subject to section 168(f)(1) election.....	15	
16	Other depreciation (including ACRS).....	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010.....	17	3,280.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. <input type="checkbox"/>		

Section B — Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.....						
b 5-year property.....						
c 7-year property.....						
d 10-year property.....						
e 15-year property.....						
f 20-year property.....						
g 25-year property.....			25 yrs		S/L	
h Residential rental property.....			27.5 yrs	MM	S/L	
i Nonresidential real property.....			39 yrs	MM	S/L	

Section C — Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life.....					S/L	
b 12-year.....			12 yrs		S/L	
c 40-year.....			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28.....	21	313.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.....	22	3,593.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.....	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No									24b If 'Yes,' is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).....								25		
26 Property used more than 50% in a qualified business use:										
JEEP	1/01/05	100.0	3,748.	3,748.	5.0	150DB HY	313.			
27 Property used 50% or less in a qualified business use:										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.....								28	313.	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.....								29	0.	

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles).....												
31 Total commuting miles driven during the year.....												
32 Total other personal (noncommuting) miles driven.....												
33 Total miles driven during the year. Add lines 30 through 32.....												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?.....												
35 Was the vehicle used primarily by a more than 5% owner or related person?.....												
36 Is another vehicle available for personal use?.....												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
39 Do you treat all use of vehicles by employees as personal use?.....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.).....		
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions):					
43 Amortization of costs that began before your 2010 tax year.....					43
44 Total. Add amounts in column (f). See the instructions for where to report.....					44

Department of the Treasury
Internal Revenue Service (99)▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.**2010**Attachment
Sequence No. **88**

Name(s) shown on return

Identifying number

J. CRAIG AND MARILYN JAMES**Part I 2010 Passive Activity Loss****Caution:** Complete Worksheets 1, 2, and 3 on page 2 before completing Part I.**Rental Real Estate Activities With Active Participation** (For the definition of active participation, see **Special Allowance for Rental Real Estate Activities** in the instructions.)

1 a Activities with net income (enter the amount from Worksheet 1, column (a))....	1 a		
b Activities with net loss (enter the amount from Worksheet 1, column (b)).....	1 b		
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))..	1 c		
d Combine lines 1a, 1b, and 1c.....		1 d	

Commercial Revitalization Deductions From Rental Real Estate Activities

2 a Commercial revitalization deductions from Worksheet 2, column (a).....	2 a		
b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b).....	2 b		
c Add lines 2a and 2b.....		2 c	

All Other Passive Activities

3 a Activities with net income (enter the amount from Worksheet 3, column (a))....	3 a		
b Activities with net loss (enter the amount from Worksheet 3, column (b)).....	3 b	-33,485.	
c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))..	3 c	-30,360.	
d Combine lines 3a, 3b, and 3c.....		3 d	-63,845.
4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used.....		4	-63,845.

- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15.**Part II Special Allowance for Rental Real Estate Activities With Active Participation****Note:** Enter all numbers in Part II as positive amounts. See the instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4.....	5	
6 Enter \$150,000. If married filing separately, see the instructions.....	6	
7 Enter modified adjusted gross income, but not less than zero (see instructions). Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.	7	
8 Subtract line 7 from line 6.....	8	
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions....	9	
10 Enter the smaller of line 5 or line 9.....	10	0.

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities**Note:** Enter all numbers in Part III as positive amounts. See the example for Part II in the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions.....	11	
12 Enter the loss from line 4.....	12	
13 Reduce line 12 by the amount on line 10.....	13	
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13.....	14	

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total.....	15	
16 Total losses allowed from all passive activities for 2010. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return.....	16	

BAA For Paperwork Reduction Act Notice, see the instructions.

Form 8582 (2010)

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.**Worksheet 1 – For Form 8582, Lines 1a, 1b, and 1c** (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 1a, 1b, and 1c					

Worksheet 2 – For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b			

Worksheet 3 – For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
DALTON BEND RANCH LTD		33,485.	30,360.		63,845.
Total. Enter on Form 8582, lines 3a, 3b, and 3c		33,485.	30,360.		

Worksheet 4 – Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
Total			1.00		

Worksheet 5 – Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
DALTON BEND RANCH LTD	SCH E LN 28	63,845.	1.000000	63,845.
Total		63,845.	1.00	63,845.

Worksheet 6 — Allowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
DALTON BEND RANCH LTD	SCH E LN 28	63,845.	63,845.	0.
Total		63,845.	63,845.	0.

Worksheet 7 — Activities With Losses Reported on Two or More Forms or Schedules (See instructions.)

Report on line of more forms or schedules (See instructions.)					
	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Name of activity . . .					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule. ▶					
b Net income from form or schedule. ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule. ▶					
b Net income from form or schedule. ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule. ▶					
b Net income from form or schedule. ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule. ▶					
b Net income from form or schedule. ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Total ▶		0.	1.00	0.	0.

Name of activity ...					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions)					
1 a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Total ▶	0.	1.00	0.	0.	

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FEDERAL STATEMENTS

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CLIENT JAMESCR

J. CRAIG AND MARILYN JAMES

STATEMENT 1
FORM 1040
WAGE SCHEDULE

TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
AMER BROAD PROD SVCS INC	113,174.	11,749.	6,622.	1,641.	7,039.	
GRAND TOTAL	113,174.	11,749.	6,622.	1,641.	7,039.	0.

STATEMENT 2
FORM 1040
PENSION AND ANNUITIES SCHEDULE

TAXPAYER - PAYER	TOTAL RECEIVED	TAXABLE AMOUNT	FEDERAL W/H	STATE W/H
STATE STREET RETIREE SERVICES	34,404.	34,404.		
GRAND TOTAL	34,404.	34,404.	0.	0.

STATEMENT 3
FORM 1040, LINE 8B
TAX-EXEMPT INTEREST

PAYER	IN-STATE MUNICIPAL BONDS	PRIVATE ACTIVITY BONDS	TOTAL
EMERGING LAND MARKETS GP, LLC.....			1.
EMERGING LAND MARKETS, LP.....			79.
TOTAL	0.	0.	80.

STATEMENT 4
FORM 1040, PAGE 2
PENALTIES

TAX DUE BEFORE PENALTIES.....	\$	19,037.
LATE PAYMENT.....		653.
INTEREST.....		373.
GRAND TOTAL TAX DUE	\$	20,063.

STATEMENT 5
SCHEDULE A, LINE 10
HOME MORTGAGE INTEREST REPORTED ON FORM 1098

AMOUNT IN EXCESS OF \$1 MILLION.....	\$	-4,160.
CHASE HOME FINANCE LLC-.....		11,059.
CHASE HOME FINANCE LLC-.....		54,395.
TOTAL	\$	61,294.

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CLIENT JAMESCR

J. CRAIG AND MARILYN JAMES

**STATEMENT 6
SCHEDULE A, LINE 14
INVESTMENT INTEREST**

INVESTMENT INTEREST - CAPE COD.....	\$	40,917.
INVESTMENT INTEREST - LUBBOCK.....		9,064.
INVESTMENT INTEREST FROM K-1.....		449,477.
DISALLOWED INVESTMENT INTEREST (FORM 4952).....		-489,396.
TOTAL	\$	<u>10,062.</u>

**STATEMENT 7
SCHEDULE A, LINE 16
CONTRIBUTIONS BY CASH OR CHECK**

CAPE COD BAPTIST CHURCH.....	\$	500.
CHARITABLE CONTRIBUTIONS FROM K-1.....		1,500.
FCA.....		500.
PRESTONWOOD BAPTIST CHURCH.....		2,200.
TEXAS TECH.....		500.
TPPF.....		15,000.
TOTAL	\$	<u>20,200.</u>

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FEDERAL STATEMENTS

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CLIENT JAMESCR

J. CRAIG AND MARILYN JAMES

STATEMENT 8
 SCHEDULE E, PAGE 2
 PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INVT. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 8582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
DALTON BEND RANCH LTD	P							\$ 175,212.		
OTHER DEDUCTIONS	P					\$ 2,973.				
EMERGING LAND MARKETS, LP	P							27,644.		
OTHER DEDUCTIONS	P					2,566.				
EMERGING LAND MARKETS GP, LLC	P							211.		
OTHER DEDUCTIONS	P					85.				
MF 380 TOLLWAY WEST, LP	P									
DALTON BEND RANCH LTD	P									
MARILYN ENTERPRISES, INC.	S									
OTTER CREEK CLUB, GP INC.	S									
TOTAL						\$ 5,624.	\$ 0.	\$ 203,067.	\$ 0.	\$ 0.